

FIRST QUARTER REPORT

FINANCIAL REVIEW

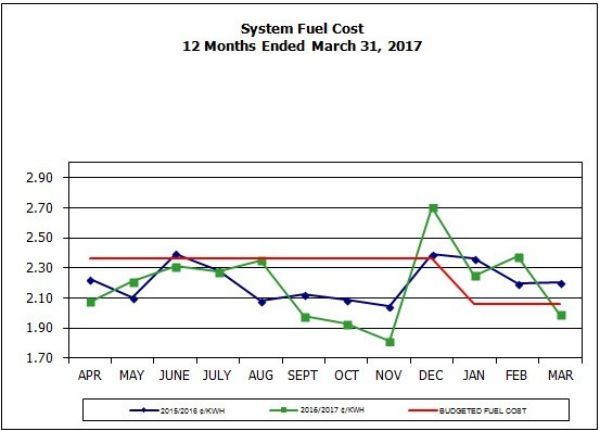
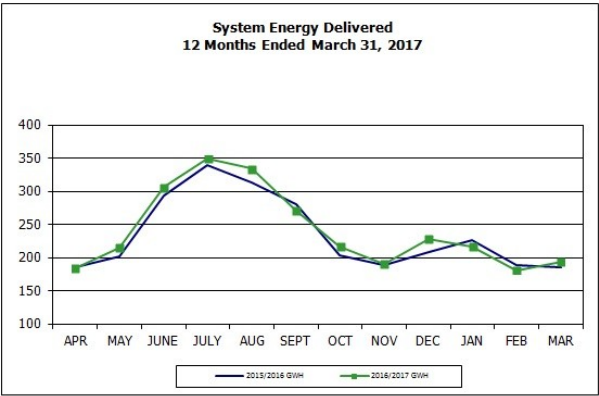
Net operating revenues for quarter ending March 31, 2017 were comparable with the same periods in 2016. Net revenues for the 12 months ending March 31, 2017 were substantially lower, primarily due to the change in the market value of investments and an increase in debt service.

The market value adjustment for investments was unfavorable \$2.4 million for the 12 months ending March 31, 2017, compared to a favorable \$403,000 for the same period in 2016. The Authority typically holds all investments to maturity, so no market value gains or losses during the term of the investment are normally realized.

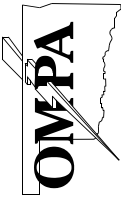
OTHER ACTIVITY

The OMPA Board of Directors held its annual strategic planning retreat in April. Topics included strategic planning, long-term capital forecasting, and enterprise risk management.

David W. Osburn, General Manager
May 15, 2017

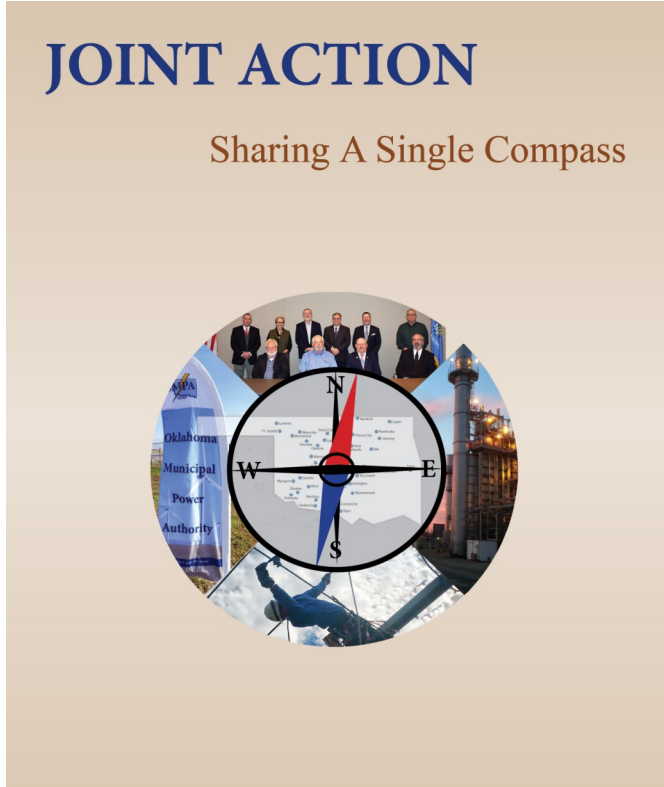


Printed at no cost to the taxpayers of Oklahoma. 100 copies of this publication have been printed by OMPA at a cost of \$216.32.



Oklahoma Municipal Power Authority
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Oklahoma Municipal Power Authority (OMPA)

First Quarter Financial Report
For Period Ended March 31, 2017

OMPA Website Address: www ompa.com

BALANCE SHEETS
(UNAUDITED, DOLLARS IN THOUSANDS)

| | MARCH 31 | |
|---------------------------------|------------------|------------------|
| | 2017 | 2016 |
| ASSETS AND OTHER DEBITS | | |
| UTILITY PLANT: | | |
| Electric Plant in Service | \$729,788 | \$701,226 |
| Fuel Reserves | 2,972 | 2,952 |
| Construction in Progress | 5,235 | 20,708 |
| Electric Plant Leased to FPL | 37,306 | 39,456 |
| Accumulated Depreciation | <u>(295,999)</u> | <u>(271,303)</u> |
| | 479,302 | 493,039 |
| RESTRICTED FUNDS | 96,977 | 106,148 |
| CURRENT ASSETS: | | |
| Cash and Investments | 33,956 | 28,437 |
| Net Receivables | 16,571 | 15,179 |
| Inventory | 6,335 | 13,946 |
| Prepayments | 11,747 | 11,137 |
| Interest Receivable | <u>383</u> | <u>337</u> |
| | 68,992 | 69,036 |
| OTHER ASSETS | <u>138,083</u> | <u>140,270</u> |
| | <u>\$788,534</u> | <u>\$808,493</u> |
| LONG TERM DEBT: | | |
| Series 1992 Bonds Payable | \$643,005 | \$52,720 |
| Series 2005 Bonds Payable | 28,500 | 32,400 |
| Series 2007 Bonds Payable | 0 | 135,375 |
| Series 2008 Bonds Payable | 3,000 | 6,000 |
| Series 2010 Bonds Payable | 150,635 | 155,685 |
| Series 2013 Bonds Payable | 172,485 | 172,485 |
| Series 2014 Bonds Payable | 123,180 | 123,180 |
| Series 2016 Bonds Payable | 124,315 | - |
| Unamort. Prem. / (Disc.) | <u>29,932</u> | <u>19,518</u> |
| | 675,052 | 697,363 |
| Note Payable - FPL Energy | 37,306 | 39,456 |
| CURRENT LIABILITIES: | | |
| Accounts Payable | 12,886 | 11,239 |
| Bond Interest Payable | 7,207 | 7,674 |
| Other Liabilities | <u>7,037</u> | <u>8,535</u> |
| | 27,130 | 27,448 |
| DEFERRED REVENUE | 12,121 | 10,996 |
| ACCUMULATED NET REVENUES | <u>31,745</u> | <u>33,230</u> |
| | <u>\$788,354</u> | <u>\$808,493</u> |

STATEMENTS OF NET REVENUES
(UNAUDITED, DOLLARS IN THOUSANDS)

| | QUARTER ENDED MARCH 31 | | TWELVE MONTHS ENDED MARCH 31 | |
|--|-----------------------------------|----------------|---|------------------|
| | 2017 | 2016 | 2017 | 2016 |
| OPERATING REVENUES | \$42,134 | \$39,775 | \$186,865 | \$180,794 |
| OPERATING EXPENSES: | | | | |
| Purchase Power | 6,583 | 7,751 | 30,516 | 35,234 |
| Generation | 16,913 | 14,908 | 72,851 | 66,515 |
| Transmission | 5,598 | 4,544 | 20,814 | 18,861 |
| Administrative | 2,013 | 1,803 | 8,044 | 7,437 |
| Depreciation | 5,966 | 5,963 | 25,500 | 23,170 |
| Other Operating Expenses | <u>394</u> | <u>387</u> | <u>1,567</u> | <u>1,489</u> |
| | 37,467 | 35,356 | 159,292 | 152,706 |
| NET OPERATING REVENUES | 4,667 | 4,419 | 27,573 | 28,088 |
| OTHER REVENUES (EXPENSES): | | | | |
| Gain/Loss on Assets | - | - | - | - |
| Investment Income | 609 | 578 | 2,423 | 2,212 |
| Net Increase (Decrease) in Fair Value of Investments | 98 | 1,142 | (2,437) | 403 |
| Other Income (Expenses) | <u>(21)</u> | <u>(21)</u> | <u>(84)</u> | <u>(84)</u> |
| | 686 | 1699 | (98) | 2,531 |
| INTEREST AND DEBT EXPENSE: | | | | |
| Interest on Long-Term Debt | 7,220 | 6,472 | 28,917 | 26,699 |
| Amortization of Finance Costs | <u>121</u> | <u>297</u> | <u>898</u> | <u>1,347</u> |
| | 7,341 | 6,769 | 29,815 | 28,046 |
| NET DEFERRED COSTS TO RECOVER IN FUTURE YEARS | <u>(527)</u> | <u>(77)</u> | <u>855</u> | <u>(551)</u> |
| NET REVENUES | <u>(\$2,515)</u> | <u>(\$728)</u> | <u>(\$1,485)</u> | <u>(\$2,022)</u> |

NOTES:

Restricted funds include both current and noncurrent assets held in Trust.

These Statements have been prepared by OMPA, without audit. In the opinion of Management, all adjustments necessary to fairly present OMPA's financial position and results of operations at March 31, 2017 and 2016 have been made.

Certain additional information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted. It is suggested that this information be read in conjunction with the audited financial statements and notes included in OMPA's 2016 Annual Report.

PARTICIPATING CITIES

Altus Municipal Authority
Blackwell Municipal Authority
Comanche Public Works Authority
Copan Public Works Authority
Duncan Public Utilities Authority
Edmond Public Works Authority
Eldorado Public Works Authority
Fairview Utilities Authority
Fort Supply Public Works Authority
Frederick Public Works Authority
Geary Utilities Authority
Goltry Public Works Authority
Granite Public Works Authority
Hominy, Oklahoma, Public Works Authority
Kingfisher Public Works Authority
Laverne Public Works Authority
Lexington Public Works Authority
Mangum Utilities Authority
Manitou Public Works Authority
Marlow Municipal Authority
Mooreland Public Works Authority
New Cordell Public Works Authority
Newkirk Municipal Authority
Okeene Public Works Authority
Olustee Public Works Authority
Orlando Public Works Authority
Pawhuska Public Works Authority
Perry Municipal Authority
Ponca City Utility Authority
Pond Creek Public Works Authority
Prague Public Works Authority
Purcell Public Works Authority
Ryan Utilities Authority
Spiro Municipal Improvement Authority
Tecomseh Utility Authority
Tonkawa Municipal Authority
Walters Public Works Authority
Watonga Public Works Authority
Waynoka Utilities Authority
Wetumka Municipal Authority
Wynnewood City Utilities Authority
Yale Water and Sewage Trust

BOARD OF DIRECTORS

Charles Lamb, **Chairman**
Robert Johnston, **Vice Chairman**
Homer Nicholson, **Secretary**
Jim Greff, **Treasurer**
Dale Bunn
Janice Cain
Chuck Hall
Dave Slezcickey
Jason McPherson
David Yeager

EXECUTIVE STAFF

David W. Osburn, **General Manager**
John Vansant, **CFO and Director of Corporate Services**
Drake N. Rice, **Director of Member Services**
Melie Vincent, **Director of Operations**
Randy Elliott, **General Counsel**